

# Federal Commission Recommends Streamlining Medicaid Waiver Authorities

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In March, the Medicaid and CHIP Payment and Access Commission (MACPAC) released its biannual **report** to Congress. MACPAC is an independent congressional agency that advises Congress on issues relating to Medicaid. In its report, the Commission made a three part recommendation in regards to streamlining Medicaid managed care authorities.

First, the Commission recommends that states be allowed to require all beneficiaries to enroll in Medicaid managed care programs under state plan authority. States are currently required to use waiver authority if they want to enroll dually eligible individuals, American Indians, Alaskan natives, and children with special health care needs into a managed care program. The Commission reasons that the requirement to use state plan authority, instead of wavier authority, for these beneficiaries would decrease states' administrative burden, eliminate the requirement to meet the cost effectiveness or budget neutrality waiver requirements, and allow states to operate their managed care program through a single authority. The report notes that despite some initial concerns among Commissioners about the extent to which states and the federal government provide adequate oversight of managed care programs, MACPAC has concluded that the current legal framework for Medicaid managed care includes adequate requirements for states and managed care organizations that ensure managed plans meet the complex needs of those groups presently exempt from mandatory enrollment under state plan authority.

Second, the Commission recommends extending the approval and renewal periods for all Section 1915(b) waivers from two years to five years. Section 1915(b) waivers have short two year authorization period, compared to Section 1115 waivers that can be approved for up to five years, and state plan authority that never expires. The Commission believes that the longer approval period will decrease state administrative burden.

Third, the Commission recommends revising Section 1915(c) waiver authority to waive freedom of choice and selective contracting requirements. Freedom of choice and selective contracting are two 1915(b) waiver authorities not currently included in 1915(c) waivers. Because they are not included in 1915(c) waivers, it requires states to also use 1915(b) waiver authority to waive these requirements. The Commission reasons that this recommendation will simplify reporting requirements and program administration for states and the federal government.

A number of healthcare organizations, such as America's Health Insurance Plans (AHIP) and the Healthcare Information and Management Systems Society (**HIMSS**), have come out in support of the recommendations. Camille Dobson, the executive director of the National Association of States United for Aging and Disabilities (NASAUD), **noted** that states and CMS would be pleased with the ways in which the recommendations would reduce administrative burden in the waiver renewal process.

*\*Alisa Laufer was the lead contributor to this blog post.*

## Authors